



*United States Attorney  
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE  
HERBERT HADAD, MEGAN GAFFNEY  
PUBLIC INFORMATION OFFICE  
(212) 637-2600

**TWO OGILVY AND MATHER ADVERTISING EXECUTIVES CONVICTED  
IN MANHATTAN FEDERAL COURT IN FALSE BILLING SCHEME**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that THOMAS EARLY, a former Senior Partner and the Director of Finance of Ogilvy and Mather, New York, an advertising agency in Manhattan, and SHONA SEIFERT, a former Senior Partner and Executive Group Director of Ogilvy and Mather, were convicted today in Manhattan federal court of participating in a scheme to defraud the Government.

The Indictment charged EARLY and SEIFERT with conspiracy to defraud the United States, to make false claims, and to make false statements, and with nine substantive counts of making false claims against the United States, in connection with their participation in an extensive scheme to defraud the United States Government by falsely and fraudulently inflating the labor costs that Ogilvy and Mather had incurred with respect to a contract it was awarded by the Office of National Drug Control Policy (the "ONDCP").

According to the evidence at trial, the ONDCP is a

component of the Executive Office of the President, and was responsible for conducting a nationwide media campaign entitled the National Youth Anti-Drug Media Campaign (the "Media Campaign"), the goal of which is to educate the nation's youth about the dangers of illegal drugs. In December 1998, Ogilvy and Mather was awarded a contract (the "Contract") for Phase III of the Media Campaign. The Contract was a cost-plus-fixed-fee contract that entitled Ogilvy and Mather to reimbursement for allowable costs actually incurred during the course of the Contract as well as a fixed fee that was negotiated at the outset of the Contract.

According to the evidence at trial, in the summer of 1999, EARLY and SEIFERT learned that the labor billings on the Contract were running approximately \$3 million less than what Ogilvy and Mather had previously anticipated. After recognizing this shortfall, from May 1999 through April 2000, EARLY and SEIFERT schemed to defraud the United States Government by causing Ogilvy and Mather to fraudulently inflate the number of hours that Ogilvy employees had worked on the ONDCP Contract by, among other things: (1) directing certain Ogilvy employees to revise time sheets that employees had already completed to reflect falsely that the employees had worked more time on the ONDCP Contract than was originally recorded; (2) directing Ogilvy employees to record on their time sheets a specified percentage of their time for the ONDCP Contract whether or not the employees actually worked that

percentage of time on the ONDCP Contract; and (3) causing falsified time sheets to be submitted to the Government in support of their fraudulent claims for reimbursement of labor costs.

EARLY and SEIFERT were each convicted of all 10 counts in the Indictment in connection with their roles in orchestrating and directing the fraud at Ogilvy and Mather.

THOMAS EARLY, 48, who lives in Rockville Center, New York, will be sentenced before United States District Judge RICHARD M. BERMAN on May 16, 2005.

SHONA SEIFERT, 43, who lives in Southport, Connecticut, will also be sentenced before Judge BERMAN on May 16, 2005.

Both defendants face a maximum sentence of five years in prison and a \$250,000 fine, or twice the gross gain or loss resulting from the crime, on the conspiracy count and on each of the nine substantive counts.

Mr. KELLEY thanked the Federal Bureau of Investigation and the United States Department of Defense for their assistance in the investigation. Mr. KELLEY also recognized the cooperation of Ogilvy and Mather throughout the investigation and the trial.

Assistant United States Attorneys KIM A. BERGER, LAUREN GOLDBERG, and ALEXANDER J. WILLSCHEER are in charge of the prosecution.

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